

Concord Affordable Housing Funding Committee

Meeting Minutes: April 18, 2018 meeting *Revised 5/13/18*

Committee members present: Ray Andrews, Holly Darzen (clerk), Todd Benjamin (chair), Sue Myers, Elisabeth Elden

(no others present)

1. Ruth Bennett has withdrawn from the committee due to time constraint issues.
2. Todd has circulated notes from the joint housing meeting which are included at the end of these minutes for informational purposes
3. The funding strategies were discussed. Ray Andrews asked what the target revenue we want to raise with the new funding mechanism(s), or, alternatively, how many affordable units should be funded per year. Holly noted that when Charles Phillips submitted his funding petition to Town Meeting in 2017, the goal was about \$4 million. Some felt this was quite high, which might have depressed support for it. It is hard to estimate the cost of a single affordable unit, which could be over \$500,000 net (after sale at 80% AMI and renovations), consequently developing more than one in a project is more cost effective. It was pointed out that multiple sources of revenue and/or units would be helpful, but it should be noted that multifamily developments, which can yield affordable units, are infrequent in Concord.
4. Holly discussed the changes made to the Building Permit Fee Surcharge in an effort to boost revenue from the prior draft. It was noted that the base fee needs to be corrected in the middle column of the spreadsheet. Sue requested that another scenario be included in the spreadsheet for higher revenue. All voted to keep this surcharge as a recommended strategy.
5. PILUs were also discussed. We felt that getting actual units is preferable to getting money for affordable units, but there could be circumstances where money might be acceptable. All agreed PILUs are not a strategy we can effectively put in place. Rather it needs to come from adjustments to the zoning process by the Planning staff, board, and approved by Town Meeting just as other zoning changes are made. So this will not be a recommended strategy from us. However, affordable housing advocates should continue to monitor this with the Planning Department.
6. Elisabeth Elden reviewed her summary regarding CPC changes as a revenue source. It was noted that the revenue raised by this approach is small compared to other strategies. Elisabeth will revise her summary to include numbers from some change scenarios.
7. Sue Myers reviewed her summary of the transfer tax option, which included multiple scenarios. Holly requested that the spreadsheet clearly label the transfer tax column as "surcharge" so it is clear it is in addition to the existing transfer fee. All agreed that this should be a recommended strategy. Holly felt we should get behind a specific level of surcharge tax, although Sue felt we should just keep a range. Elisabeth checked the committee charge which is to make a specific recommendation(s) for the revenue raising change. We decided to run it by Fin Com and Select Board and see how they felt about the

level of surcharge. Holly brought up the problem in the past where the realtor group lobbied strongly against raising the transfer tax and influenced state legislators not to change the fee. Elisabeth will contact a realtor association to start connecting with them on this.

8. Todd reviewed the bonding mechanism, not necessarily as a strategy for raising revenue but as a way to obtain money more quickly and have it available in a fund to pay for projects as they arose. Elisabeth suggested we ask the Fin Com or Town treasurer about the current bonding level. It was noted that the Middle School construction will soon need a new bond. Holly suggested that affordable housing advocates might use bonding as part of the Starmet land acquisition project to fund construction of affordable units there; the bond would also pay for other project costs so housing would piggyback on the bond process. It was decided we would discuss it more with Fin Com before determining if it is a strategy we should recommend to Town Meeting.
9. Todd went over using Free Cash money on an annual basis to fund an affordable housing account. Since the town has generally been keeping free cash in excess of the budget at a level of 10%, when the bond rating only requires 7%, we discussed devoting either 1% or 2% of that excess to affordable housing. All are in favor of free cash being a recommended source annual housing funding; the level and mechanics should be discussed with the two groups we plan to visit.
10. Regarding PILOTs, Sue Myers felt that the Town should negotiate individually with the non profit real estate owners, rather than us making this an initiative. Holly suggested we try to get any history of prior Town efforts to do this, especially with larger employers like Emerson Hospital, whose employees need affordable housing. The committee deferred a recommendation on this strategy.
11. Todd asked Ray to research a couple of things (clarification?). Ray will be away until 5/8.
12. The Concord Long Range Planning Committee needs comments on the draft by 4/20. The review meeting is 4/25 at the Willard School. Todd commented that affordable housing runs through various sections of the document, but needs to be highlighted up front as essential to these various concerns, like economic development, diversity, education. Holly suggested that the current affordable housing distribution map should be in the plan.
13. The next meeting will be Tuesday 4/24
14. All voted to adjourn.

Respectfully submitted,
Holly Darzen clerk

Joint Housing Meeting Minutes Tuesday, March 20, 2018

Panelists:

- Lee Smith, CHDC
- Barbara Morse, CHDC, Comprehensive Long Range Plan Committee
- Linda Escobedo, Marianne Nelson CHA
- Charles Phillips, Concord Foundation
- Todd Benjamin, Affordable Housing Funding Committee

Moderator: Liz Rust, Regional Housing Services Office

There were 15 people who signed in not he attendance sheet

The Planning Board will be invited to the next meeting.

All should review the Long Range plan and offer comments. Review hearing is scheduled for April 25

Look at the accessory apartment bylaw. There were many comments on revising this vehicle for bringing smaller homes to market.

Question from SB member on the number and make-up of the affordable housing committees
APP#54: Land Acquisition. Terry, Linda and Lee to work together and recommend revisions to SB, if any

Gerow Land: Terry, Lee and Linda. Discuss next steps together. Suggest contacting Town Manager to discuss concerns, prior to TM.

A Right of First Refusal option was mentioned as a way to ensure affordable housing groups are made aware of land acquisitions under APP#54.

General Updates: Foundation is looking into converting ranger homes to farmer housing with the minuteman park ranger, CHA does not have adequate funding streams for upkeep (maintenance and capital improvement) for its stock, funding committee is looking into permit fees and land transfer fees, Junction Village is going along as planned and the CHDC is looking into new projects.

Group agreed to meet twice a year on a formal/posted basis, around Town Meeting, and perhaps quarterly on an informal basis - as invited to a meeting of one of the groups.

Each group needs to prepare and post minutes. Perhaps can collaborate on those!

You may have additional notes.

The SHI percentage is confusing.

Concord has 11.73% as counted by the state. This is 804 units. Included in this number are 83 units at Junction Village and 357 units of market rate rentals (that are counted due to the state's counting methodology). If those are both removed, Concord's SHI reduces to 5.31%.

And those numbers do not include the moderate income restricted ownership units (over 80% AMI) of which there are 22 units.

And just to top off the confusion - The Junction Village units will 'lapse' off the SHI in June 2018, since the building permit has not been issued. This will bring the Concord SHI to 10.52%, which is project to dip below the 10% in 2021 when DHCD adjusts the denominator, unless JV is funded and issues building permits (which is likely).